

Funding Sources (FIN223)

Transitioning students, who have completed Corporate and Structured Finance (E141) within the course completion time frames, will receive recognition of prior learning for an exemption into Funding Sources (FIN223) and are not required to complete this subject.

Please note, students should not complete both E141 and FIN223 as only one will contribute to course completion.

Overview

This unit considers the range of funding decisions facing firms. It provides a theoretical framework for funding decisions, and gives students the skills to consider financing options and present a well argued case for the type of funding that is most suitable within the firm's financing and management constraints.

Learning Outcomes

At the completion of this unit students should be able to:

- Discuss and apply the key theories which inform the fundraising and capital structure management process
- Identify and evaluate factors influencing the funding decision
- Interpret and analyse various corporate finance scenarios
- Critically evaluate sources and types of funding
- Identify and discuss some of the constraints in raising capital
- Discuss management and legal issues that arise when raising capital
- Demonstrate and apply funding skills in a range of contexts

Delivery Method

The primary method of delivery for this subject is distance education supported by comprehensive print, lecture and online resources. Students will have access to an online subject room where a range of resources may be available. These include Discussion Forums, online applications, downloadable audio lectures, and further resources.

Student assessment

Assessment Type	Assessed	Weighting
Assignment	Week 6	40%
Exam	Week 11	60%

Pre-requisites

Students enrolling in a Masters level elective subject are assumed to have the pre-requisite knowledge in the four core subjects listed below. This requirement can be waived where students are studying one or more core subjects concurrently with an elective, or they are studying single subjects and are not enrolled for the Masters, Graduate Diploma or Graduate Certificate courses. Students enrolling into an elective subject without having completed all core subjects should ensure that they have, or have access to, the pre-requisite or assumed knowledge required for successful completion of the elective subject. For further information on pre-requisite study contact a student adviser.

- Financial Markets and Economic Principles (FIN111)
- Law, Regulation and Ethics (FIN112)
- Techniques in Financial Analysis (FIN113)
- Risk Management for Finance Sector Enterprises (FIN114)

We recommend that you complete the following Kaplan Education subjects (or have a thorough working knowledge of the content) prior to enrolling in this unit:

- Applied Valuation (FIN224)

Unit content and structure

Week	Topic
1	Topic 1: Fundamentals of funding
2	Topic 2: Debt products — Bank lending and trade finance
3	Topic 3: Debt capital markets —commercial paper and notes
4	Topic 4: Debt capital markets — bonds and debentures
5	Topic 5: Hybrid issues
6	Topic 6: Equity financing – Part 1
7	Topic 7: Equity financing – Part 2
8	Topic 8: Private equity financing
9	Topic 9: Asset and Project Finance
10	Topic 10: Securitisation and Special Purpose Vehicles

Workload

Students in this subject would be expected to undertake between 10–11 hours of student effort per week. Student effort can be undertaken in a number of activities including:

Study of subject notes and completion of related activities (e.g. review questions, application activities)
E-learning activities (e.g. discussion forums, online quizzes)
Listening to and reviewing recorded topic lectures (available from your Subject Room)
Prescribed and/or additional reading and independent research
Assessment preparation

Reading List

The following list of references provides the student with key and additional reading material. In some cases students may be required to access certain texts. This information will be made available upon enrolment.

Prescribed text:

Viney, C 2009, *McGrath's financial institutions, instruments and markets*, 6th ed. McGraw-Hill, ISBN 9780070140899 (pbk)

- Students will need to refer to the text for their study of this subject.
- Students need to purchase this textbook. It can be purchased from the Co-op Bookshop, McGill's Bookshop, Uni Books, Boffins Bookshop or other retailers of educational books.
- The text can also be borrowed from a library.
- Students who have completed FIN111 may already have a copy of this text from their study of this subject.

Additional reading:

Bruce, R et al. (ed.) 1990, *International corporate finance: a handbook for Australian business*, 1st ed., Butterworth Law. ISBN 9780409301960

Eiteman, D and Stonehill, A 2007, *Multinational business finance*, Pearson Education Australia. ISBN 9780733980848

Jenkinson, T, Ljunqvist, A, and Ritter, J 2001, *Going public – the theory and evidence on how companies raise equity finance*, 2nd ed., Oxford University Press. ISBN 9780198295990

Lease, RC et al 2000, *Dividend policy: it's impact on firm value*, Oxford University Press, ISBN 9780875844978

Peirson, G et al. 2005, *Business finance*, 9th ed., McGraw-Hill. ISBN 9780074719770